

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

DOCKET NO. UE-01_____

EXHIBIT NO. ____ (JEE-3)

WITNESS: JON E. ELIASSEN, AVISTA CORP.

Avista Corp

**Actual Increased Interest Costs
Since July 1, 2001**

<u>Obligation</u>	<u>Annual Amount</u>	<u>One-time Amount</u>	<u>Criteria</u>
\$175 m 8.625% MTN's	437,500 437,500		New interest rate is effective on the next Interest Pymt Date following downgrade (March 1, 2002) -- 25 basis points for first rating agency to downgrade to below Baa3/BBB- on unsecured debt -- 25 basis points for second rating agency to downgrade on unsecured debt
\$83.7 m Colstrip PCB's	83,700 2,343,600		Bond insurance premium increases by 10 basis points on first October 1 following downgrade by either S&P or Moody's of senior unsecured debt (based on rating on each October 1) Convert to fixed rate (5.50%) from floating rate (2.70%) to avoid potential of "failed auction"
Accounts Receivable Sale		100,000	Amendment fee due to downgrade to below investment grade
Corporate Credit Facility	2,062,500 *	550,000	Borrowing rate spread increased due to two downgrades and noncompliance with covenants (from 1.25 to 2.625%) Waiver fee for amendment due to noncompliance with covenants
	<u>175,000 **</u>		Commitment fee increased due to two downgrades and noncompliance with covenants (from .25 to .50%)
Total	<u><u>5,539,800</u></u>	<u><u>650,000</u></u>	

* Assumes \$150 m outstanding

** Assumes \$70 m unused

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